

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

APPLICATION OF DUO COUNTY TELEPHONE)
COOPERATIVE CORPORATION, INC., JAMES-)
TOWN, KENTUCKY, FOR AUTHORITY TO) CASE NO. 8153
IMPLEMENT AN ADJUSTMENT IN ITS UNIFORM)
SUBSCRIBER RATES)

O R D E R

IT IS ORDERED that Duo County Telephone Cooperative Corporation shall file an original and five copies of the following information with the Commission, with a copy to the Attorney General's Division of Consumer Intervention, by April 28, 1981;

Staff Request No. 1

1. Provide a copy of REA Form 479 for each month of the test period and the preceding 12 months and a copy of REA Form 479A for the periods ending December 31, 1979 and 1980. If Applicant does not complete these reports on a monthly basis provide the quarterly, semi-annual or annual reports available for this period.

2. Provide a statement of telephone plant in service per company books for the test year. This data should be presented as shown in Format I, attached.

3. Provide an analysis of Account 675 - Other Expenses and Account 642 - Advertising. This data should be presented as shown in Format II, attached. Provide work papers (detail) in support of the analysis. As a minimum, the work papers should show the date, vendor, reference (i.e.), dollar amount and brief description of each expenditure. With regard to Account 642, Advertising, the purpose of each expenditure should be shown.

4. Provide the amount of contributions for political purposes (in cash or services), if any.

5. Provide the following information with regard to uncollectible accounts for the test year:

- a. Reserve account balance at the beginning of the year.
- b. Charges to reserve account (accounts charged off).
- c. Credits to reserve account.
- d. Current year provision.
- e. Reserve account balance at the end of the year.
- f. Percent of provision to total revenue.
- g. An explanation of the method used to calculate the annual uncollectible provision.

6. Provide a calculation of the rate or rates used to capitalize interest during construction for the test year and three preceding calendar years, and include a narrative explanation of each component entering into the calculation of this rate.

7. a. If any changes were made in service charges during the test period, furnish detailed work papers showing revenue actually billed during the test year as service charges using test period units and end-of-test period rates with actual billed revenues.

b. Similarly show revenue adjustments for any other changes in rates or charges during the test period, due to base rate area expansion, zone charges, exchange regrouping, etc.

8. a. Provide an explanation of the settlement contract(s) or method(s) used with South Central Bell and any other telephone companies (name company or companies) to arrive at applicant's Kentucky intrastate and interstate test period toll revenues.

b. Provide the Traffic Agreement presently in use for settlement purposes.

c. Provide explanations of the method(s) used to divide total toll revenues (whether received through settlements or otherwise) into the intrastate and interstate portions, broken down into message toll, WATS, private line (B-1 and I-1 if appropriate), foreign exchange and any other items contributing to these portions.

d. Provide four copies of the toll settlement summary forms for each of the months beginning with the third month prior to the start of the test period and continuing up to the month of the filing of the rate case.

e. Provide a statement of concurrence from South Central Bell that the test period intrastate toll settlement revenue is correct giving dollar amounts for each major class of total service settled. If concurrence cannot be obtained, provide a detailed statement of differences.

9. a. Provide the status of all intrastate toll settlements, by major class of toll service, with South Central Bell that were pending at the beginning and at the end of the test period that would affect the test period intrastate toll revenues. Indicate the finality of these settlements with South Central Bell, and if they are not final, give the expected amounts and the expected dates they will be finalized. These amounts are to be reconciled with book entries including amounts accrued for anticipated future settlement adjustments.

b. Provide written explanations with appropriate work papers of each change or adjustment in intrastate toll settlements which was booked during the test period, but was applicable to settlements outside of the test period and which was booked outside

the test period, but was applicable to settlements covering portions of the test period.

c. Provide any other information the applicant deems necessary to explain the debits and credits to its toll revenues in order to arrive at a representative level of end-of-test period intrastate toll revenues.

10. Provide a copy of the Company's current by-laws.

11. Provide details of the Company's policies regarding assignment, accumulation, and disbursement of patronage capital.

12. Provide a schedule of all charitable, social, or community contributions during the test period along with the account charged for each item.

13. Provide a schedule of all industry association and club dues for the test period along with the account charged for each item.

14. Provide the dollar amount of employee concession telephone service for the twelve (12) months of the test year as shown in Format III, attached. Include a narrative explanation of the company's policies concerning these concession rates.

15. In comparative form, an income statement, a statement of changes in financial position, and a balance sheet for the test year and the twelve month period immediately preceding the test year.

16. A copy of the auditor's report from your most recent audit.

18. Provide a billing analysis for the last month of the test year.

PUBLIC SERVICE COMMISSION

Marlin M. Volk
Chairman

Vice Chairman

~~Commissioner~~

Secretary

Duo County Telephone Cooperative Corporation, Inc.

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KENTUCKY COMBINED OPERATIONS
STATEMENT OF TELEPHONE PLANT IN SERVICE
TEST YEAR ENDING December 31, 1980

<u>Account Number</u>	<u>Account (a)</u>	<u>Balance Beginning of Year (b)</u>	<u>Additions (c)</u>	<u>Retirements (d)</u>	<u>Balance End of Year (e)</u>
	<u>Telephone Plant in Service:</u>				
201	Organization				
202	Franchises				
203	Patent rights				
211	Land				
212	Buildings				
221	Central Office equipment				
231	Station apparatus				
232	Station connections				
234	Large private branch exchanges				
241	Pole lines				
242.1	Aerial cable				
242.2	Underground cable				
242.3	Buried cable				
242.4	Submarine cable				
243	Aerial wire				
244	Underground conduit				
261	Furniture and office equipment				
264	Vehicles and other work equipment				
100.1	Total telephone plant in service				

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KENTUCKY COMBINED OPERATIONS
ACCOUNT 642 - ADVERTISING
FOR THE TEST YEAR ENDING December 31, 1980

<u>Line</u> <u>No.</u>	<u>Item</u> <u>(a)</u>	<u>Sales</u> <u>Advertising</u> <u>(b)</u>	<u>Institutional</u> <u>Advertising</u> <u>(c)</u>	<u>Rate</u> <u>Case</u> <u>(d)</u>	<u>Total</u> <u>(e)</u>
1.	Newspapers and periodicals				
2.	Booklets and pamphlets				
3.	Bill inserts				
4.	Displays, exhibits, posters, and placards				
5.	Motion pictures				
6.	Radio				
7.	Television				
8.	Salaries and wages				
9.	Other advertising				
10.	Other expenses				
11.	Total				

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KENTUCKY COMBINED OPERATIONS
SUMMARY OF ACCOUNT NO. 675 - OTHER EXPENSES
FOR THE TEST YEAR ENDING December 31, 1980

<u>Line</u> <u>No.</u>	<u>Description</u> (a)	<u>Amount</u> (b)
1.	Valuations, inventories, and appraisals	
2.	Business Information System (BIS) expense	
3.	Purchase of employees service emblems	
4.	Membership fees and dues	
5.	Directors' fees and expenses	
6.	Printing Annual Report	
7.	FCC Filing and Grant Fees	
8.	Company apportioned amounts for various items	
9.	Other items (itemize)	
10.	-	
11.	-	
12.	Total	

COMMONWEALTH OF KENTUCKY

Duo County Telephone Cooperative Corporation, Inc.

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EMPLOYEE CONCESSION TELEPHONE SERVICE
TEST YEAR ENDING December 31, 1980

	<u>Local</u>		<u>Toll</u>	
	<u>No. of People</u>	<u>Main Stations</u>	<u>Other Services</u>	<u>Intrastate</u> <u>Interstate</u>
<u>Kentucky Revenue Loss</u>				
General Office Personnel (By percentage allowance)		\$	\$	\$
Kentucky Operations (By percentage allowance)				
Affiliated Company Employees (By percentage allowance)				
Allowance Provided Employees Served by Other Telephone Companies				
Retired and Disabled Employees (By percentage allowance)				
Other				